



**Training Proposal for:**  
**The Mochi Ice Cream Company**  
**Agreement Number: ET19-0261**

**Panel Meeting of:** September 28, 2018

**ETP Regional Office:** North Hollywood

**Analyst:** M. Reeves

**PROJECT PROFILE**

Contract Attributes:	Retrainee Priority Rate HUA	Industry Sector(s):	Mfg & Food Processing (E) Manufacturing (33)  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Los Angeles	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 124	U.S.:124	Worldwide: 124
<u>Turnover Rate:</u>	14%		
<u>Managers/Supervisors:</u> (% of total trainees)	16%		

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$116,480		\$0	\$0		\$116,480

In-Kind Contribution:	100% of Total ETP Funding Required	\$120,000
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority Rate HUA	Computer Skills, Continuous Imp., Mfg. Skills	112	8-200	0	\$1,040	*\$13.25
				Weighted Avg: 40			

\*It will be made a condition of contract that trainees will never be paid less than the State or local minimum wage rate as in effect at the end of retention regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

**Minimum Wage by County:** \$13.25 per hour for Los Angeles County (HUA).

**Health Benefits:** ☒ Yes ☐ No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:** ☐ Yes ☒ No ☐ Maybe

Although health benefits are provided, they are not being used to meet Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Production Staff		44
Operations Support/Office Staff		17
Warehouse/Shipping Staff		5
Maintenance Staff		16
Quality Assurance Staff		12
Manager/Supervisor		18

**INTRODUCTION**

Founded in 1910, The Mochi Ice Cream Company (Mochi) ([www.mymomochi.com](http://www.mymomochi.com)) manufactures ice cream filled rice dough treats. Mochi Ice Cream flavors include Salted Caramel, Vanilla Bean, Mint Chocolate Chip, Sweet Mango, Ripe Strawberry, Cookies & Cream, Green Tea, and Double Chocolate. Headquartered in the City of Vernon, Mochi's customers include restaurant distributors and retail establishments such as Whole Foods Market, Albertsons, Walmart, Kroger/Ralphs, Costco, and Sam's Club.

**PROJECT DETAILS**

Mochi is in the process of expanding its existing business and gauging opportunities for growth into new markets. The Company recently invested approximately \$4 million in new equipment and plant modifications, including more than \$2 million in ice cream manufacturing machines. The Company's current and anticipated growth requires continued system improvements, policy and procedure updates, and employee skills upgrade. Along with training on new equipment, the proposed training will focus on the implementation of Lean Manufacturing principles, frontline leadership skills, resource planning, equipment operation and maintenance, and good manufacturing practices. This training will enable Mochi to introduce process improvements designed to enhance operational efficiency and product quality.

## **Training Plan**

Training will take place at Mochi's facility in Vernon. Course instruction will be delivered via Class/Lab by a combination of in-house subject-matter experts and vendors.

**Computer Skills:** Training will be provided to all occupations. Mochi will be introducing tablets to the production environment. Employees will learn how to track and report data, manage schedules, and monitor problems utilizing mobile device technology. Training on various business software solutions will assist the Company's transition from a paper-based to an electronic-based organization.

**Continuous Improvement:** Training will be provided to all occupations. Training will improve efficiencies with emphasis on Lean enterprise, process analysis, and leadership skills. Training will ensure proper quality management and assurance systems are in place.

**Manufacturing Skills:** Training will be provided to Production Staff, Maintenance Staff, Quality Assurance Staff, and Warehouse/Shipping Staff. Trainees will gain the skills and knowledge to operate and maintain equipment, ensure product quality, and implement best practices in product production and food safety. The Company also needs to provide cross training to improve production flexibility and capacity.

## **High Unemployment Area**

Trainees in Job Number 1 work in Vernon, a High Unemployment Area (HUA) with unemployment exceeding the state average by 25%. The Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages. Mochi is requesting a wage modification from \$17.54 per hour to \$13.25 per hour.

## **Commitment to Training**

Mochi spends approximately \$87,000 annually on training. Company-funded training includes new hire onboarding, regulatory topics, and instructional on-the-job training as needed. Safety training is provided in accordance with all pertinent requirements under state and federal law.

### **➤ Training Infrastructure**

Mochi's Human Resource Director will oversee project administration including training coordination, scheduling, and tracking/reporting. The Company has also retained an experienced administrative consultant to ensure that all training adheres to ETP requirements.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **DEVELOPMENT SERVICES**

Kirkpatrick Enterprises International (KEI) in Valencia assisted with development at no charge.

## **ADMINISTRATIVE SERVICES**

KEI will also perform administrative services for a fee not to exceed 10% of payment earned.

## **TRAINING VENDORS**

To Be Determined

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8 – 200

Trainees may receive any of the following:

**COMPUTER SKILLS**

- Intermediate/Advanced Database Techniques, Word Processing, Spreadsheets
- Warehouse & Inventory Systems
- Logistics Software
- Enterprise Resource Planning (ERP)
- Microsoft (MS) Office Suite (Intermediate/Advanced)

**CONTINUOUS IMPROVEMENT**

- Lean Enterprises
- Process Analysis, Root Cause
- ERP/DRP
- Teamwork and Problem Solving
- Leadership Skills for Frontline Workers
- Statistical Process Control
- Six Sigma (Green Belt)
- ISO 9000 and ISO 14400

**MANUFACTURING SKILLS**

- Manufacturing Operations
- Equipment Operation and Maintenance
- Good Manufacturing Practices
- Food Safety
- Sanitation
- Product Handling
- Cross-Training (Production Equipment/Skills)

Safety Training cannot exceed 10% of total training hours per-trainee

Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.
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